

U. S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

Alcohol and Tobacco Tax Division
Industry Circular No. 55-5

March 18, 1955

Floor Stocks Tax Refunds

CAUTION

A BILL ON MARCH 17, 1955 WAS BEING CONSIDERED BY A HOUSE-SENATE CONFERENCE COMMITTEE WHICH WOULD CONTINUE THE PRESENT RATES OF TAX ON LIQUORS. IF SUCH PROPOSED LEGISLATION BECOMES LAW ON OR BEFORE APRIL 1, THE INSTRUCTIONS SET FORTH BELOW WILL NOT APPLY SINCE THERE WOULD BE NO CHANGE IN TAX RATES AND THEREFORE NO REFUNDS.

To Wholesale Liquor Dealers, Retail Liquor
Dealers, and Others Concerned:

Are you eligible for a tax refund? YES! IF on April 1, 1955 you hold
taxpaid distilled spirits, imported perfumes containing distilled spirits,
beer, or wines for sale (or for use in the manufacture or preparation of
nonbeverage products), and comply with requirements described herein.

How much will the refund be? AMOUNTS VARY - Refunds are authorized
on fully taxpaid articles as follows:

<u>Article</u>	<u>Quantity</u>	<u>Amount of Refund</u>
Distilled spirits	Proof gallon	\$ 1.50
Imported perfumes containing distilled spirits	Wine gallon	1.50
Beer	Barrel (31 gallons)	1.00
Wines containing not more than 14 percent alcohol by volume	Wine gallon	0.02
Wines containing more than 14 percent but not exceeding 21 percent alcohol by volume	Wine gallon	0.07
Wines containing more than 21 percent but not exceeding 24 percent alcohol by volume	Wine gallon	0.25
Champagne and other sparkling wines	Wine gallon	0.40
Artificially carbonated wines	Wine gallon	0.40

What must you do? TWO THINGS MUST BE DONE - FIRST, at the close of business on March 31, 1955, take an inventory of all articles on which you desire to claim floor stocks tax refund and SECOND, file such inventory with a claim for refund with the Assistant Regional Commissioner, Alcohol and Tobacco Tax.

How do you prepare your inventory? Inventory reports must be prepared as indicated by the instructions in the attachment to this circular.

Short-cuts. 1. Kinds of spirits may be abbreviated; "brandy" as "B", "gin" as "G", etc. 2. Where serial numbers of a group of cases run consecutively, it will be sufficient to report the first and last numbers, separated by a hyphen. 3. You may group your distilled spirits items by proof if you like, using one or more pages for each proof. If you group the items by proof, you need only total the wine gallons on each sheet so used and then convert that one figure to proof gallons. This saves converting to proof gallons for each item.

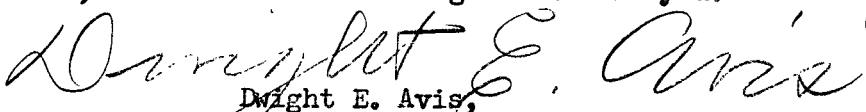
Where do you get the claim form? From the Assistant Regional Commissioner, Alcohol and Tobacco Tax, of the internal revenue region in which you are located on or after April 15, 1955. You must retain the duplicate copy of Form 2163 at the address shown on the claim. The duplicate copy of each inventory will be retained at the place of business for which the inventory is prepared. These duplicate copies must be available for inspection by any internal revenue officer until April 1, 1957.

When must the claim be filed? Not later than May 1, 1955 or within thirty days from the effective date of regulations issued pursuant to section 5063, Internal Revenue Code of 1954, whichever is the later. Claim and inventory reports must be filed with the Assistant Regional Commissioner, Alcohol and Tobacco Tax, in the internal revenue region in which you are located.

Claimants holding two or more classes of articles (i.e. distilled spirits, wine, beer, etc.) may wish to file claim for refund only on one or more classes of articles. Inventories are not required for those articles which are not to be made the subject of a claim for refund.

Manufacturers of nonbeverage products may not claim refund on spirits used, as defined in part 197 of title 26 of the Code of Federal Regulations, or which have been rendered unfit for beverage use, in the manufacturing of nonbeverage products. Spirits recovered in the manufacture of nonbeverage products eligible for drawback are not subject to floor stocks tax refund. Spirits held in process, not yet used or eligible for refund as set forth in part 197, are eligible for floor stocks tax refund and must be identified as to batch number, the name of the product being manufactured, and formula number, if any.

Where can you receive help and additional instructions? Additional information is available at the offices of Assistant Regional Commissioners, Alcohol and Tobacco Tax, Supervisors in Charge of branch offices, Alcohol and Tobacco Tax, or District Directors of Internal Revenue. Further, your trade associations, suppliers, etc., have indicated willingness to aid you.


Dwight E. Avis,
Director, Alcohol and Tobacco Tax Division.

Heading for Inventory Forms

Name of Proprietor JOHN DOE	Trading as (Trade Name) JOE'S PLACE	
Address of Business (Street and No.) 123 4TH STREET	(City, Zone, State) WASHINGTON 1, D. C.	Date Inventory Taken APRIL 1, 1955
Qualified as (Class of Business) RESTAURANT	Federal Special Tax Stamp, If Any (Kind and No.) RLD 4762975	

Distilled Spirits

Kind of Spirits (1)	Brand Name (2)	Serial Numbers of Cases (3) *	Number of Full Cases (4)	Size of Bottles (5)	Number of Bottles not in Full Cases (6)	Total Wine Gallons (7)	Proof (8) **	Total Proof Gallon *** (9)
W.	Ca.Res.	12345-444	100	pt.	-	300.00	86.8	260.400
G.	Gordon	-	-	pt.	46	5.75	94.4	5.428

* (a) Agencies of States or local Governments, (b) wholesale liquor dealer's maintaining records on Forms 52A, 52B, and 338 (does not include cases in retail departments), or (c) persons owning stocks stored in commercial warehouses, provided an accurate physical inventory can be readily taken, not required to show serial numbers. Report serial numbers owned by and in transit to or from your premises.

** Show actual proof, including fractions, indicated on label or case.

*** Carry all decimals to three places.

Holders of bulk spirits (barrels, tank cars, etc.) show kind of spirits, wine gallons, proof, proof gallons, serial number of each container (if any), and name of producer of spirits.

Imported Perfumes Containing Distilled Spirits

Name and Address of Manufacturer (1)	Brand Name (2)	Number of Shipping Containers (3)	Number of Bottles in Each Shipping Container (4)	Number of Bottles (not in unopened cases) (5)	Size of Bottles (6)	Total Wine Gallons (7)
Houbigant, Paris	Houbigant	2	48	17	3 oz.	2.648

Beer

		Bottles and Cans						
		Full Cases			All Other Bottles and Cans			
No. of Bbls (1)	Size of Bbls (2)	No. of Cases (3)	No. & Size Btls & Cans (4)	Bbls per Case (5)	No. of Btls or Cans (6)	Size (oz.) (7)	Bbls per Btl or Can (8)	Quantity in Bbls of 31 gals (9)
7	1/2	-	-	-	-	-	-	3.500
-	-	12	12-7	.02117	-	-	-	.254
-	-	-	-	-	14	7	.00176	.025

Wines

Kind of Wine (1)	Percent of Alcohol (2)	Number of Barrels or Kegs (3)	Number of Full Cases (4)	Size of Bottles (5)	Number of Bottles Not in Full Cases (6)	Total Wine Gallons (7)
Sauterne	14	-	2	4/5 qt.	-	4.80
Port	14-21	-	-	4/5 qt.	45	9.00
Sparkling	-	-	-	4/5 qt.	20	2.00

Holders of bulk wine show kind of wine, number and kind of bulk containers (barrels, tank cars, etc.) percent of alcohol by volume and wine gallons. Divide inventory into five parts for the listing of the different tax classes - (1) Wines containing not more than 14 percent alcohol by volume, (2) more than 14 percent and not exceeding 21 percent, (3) more than 21 percent but not exceeding 24 percent, (4) champagne and other sparkling wines, (5) artificially carbonated wines.

General Instructions

Prepare inventories, in duplicate, on letter size paper (not larger than 9 by 11 inches). Separate inventory required for each class of article. Number each page (with heading) consecutively. Each inventory will consist of three sections: (1) Articles on your premises, (2) articles owned by you and stored elsewhere (identified as to address for each place), and (3) articles owned by and in transit to or from your premises (identified as to means of transportation and name and address of consignor or consignee). Enter a subtotal in terms of taxable units at bottom of each page and summarize (grand total) on last page. Signature and title of person preparing the inventory must appear on last page (address of such person, if other than claimant or his employee).